determines to be appropriate to improve the long-term financial soundness of the Federal Housing Administration funds. Such requirements shall include the minimum capital or net worth of mortgagees; the ratio that mortgagees shall maintain between the mortgagee's capital and the volume of mortgages co-insured by such mortgagee; and such other requirements as the Secretary determines to be appropriate to ensure the long-term financial soundness of the Federal Housing Administration funds. The Secretary shall

Reports.

submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report on the review and assessment under the previous sentence, and an explanation of the Secretary's reasons for making any adjustment in requirements authorized under this section."

(b) REPORT.—The Secretary of Housing and Urban Development shall submit to the Congress not later than April 1, 1990, a report on the disposition of coinsured multifamily housing projects held by the Government National Mortgage Association. The report shall include a description of the guidelines governing the disposition of such properties, particularly as such guidelines relate to the objectives of—

(1) minimizing losses to the Federal Government;

(2) preserving the projects in decent, safe, and sanitary condition; and

(3) protecting lower-income tenants residing in such projects.

The report shall also describe the status of such multifamily housing projects, including the name, address, and size of each project, and the date and conditions of any foreclosure sale.

SEC. 140. FHA MANAGEMENT.

Section 4 of the Department of Housing and Urban Development Act is amended—

42 USC 3533.

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by redesignating the second sentence in subsection (a) as subsection (b) and adding at the end thereof the following: "The Secretary shall ensure, to the extent practicable, that

managers of Federal Housing Administration programs, at each level of the Department, shall be accountable for program operation, risk management, management of cash and other Federal assets, and program financing related to activities over which such managers have responsibility.".

Business and industry.

SEC. 141. CONTRACTING FOR FINANCIAL MANAGEMENT SUPPORT.

42 USC

Section 7(e) of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following: "The Secretary is authorized to enter into contracts with private companies for the provision of such managerial support to the Federal Housing Administration as the Secretary determines to be appropriate, including but not limited to the management of insurance risk and the improvement of the delivery of mortgage insurance.".

SEC. 142. FHA OPERATIONS.

12 USC 1708.

Section 202 of the National Housing Act is amended by—